IN THE HIGH COURT OF JUDICATURE
ANDHRA PRADESH
AT HYDERABAD

THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

WRIT PETITION NO :18515 of 2007

Dated: 30th August 2007.

Between:
B.Laxma Reddy .. Petitioner

And

The Revenue Divisional Officer, Jangaon, Warangal District and three others .. Respondents

ORAL ORDER:

Heard Sri Ch.Jagannatha Rao, learned counsel for the writ petitioner and learned Government Pleader for Civil Supplies for the respondents. With the consent of both the parties, the writ petition itself is taken up for final disposal as the controversy involved in this writ petition is within a narrow compass.

The writ petitioner is a fair price shop dealer of Narsaipally Gram Panchayat, Maddur Mandal, in Warangal District. The 1st respondent – Revenue Divisional Officer through the orders dated 22.8.2007 has

cancelled the authorisation issued in favour of the writ petitioner and also forfeited a sum of Rs.3000/- paid by the petitioner towards security deposit. The validity of this order is challenged in this writ petition on several grounds. But, amongst them, it is urged that it had been passed without providing an opportunity for the writ petitioner to establish his defence to the allegations levelled against him. It is alleged against the writ petitioner that as against the quantity of 6000 litres of kerosene made available, the writ petitioner has only distributed a total of 5363 litres between February to June, 2007 and had therefore become liable to render account for as much as 637 litres of kerosene. There are also some other irregularities said to have been committed by the petitioner, which are alleged, in the impugned order. It is also noticed that the writ petitioner has submitted resignation to his dealership, but the impugned order is not one, which has been passed accepting such a resignation. It is an order cancelling the authorisation issued in favour of the writ petitioner and at the same time forfeiting the trade deposit of the writ petitioner, obviously, for his failure to account for the kerosene lifted by him, but not supplied to the card holders. The impugned order therefore undoubtedly visits the writ petitioner with evil consequences. In such circumstances, any order passed, be it administrative or quasi judicial, is required to be passed only after faithful

compliance with the principles of natural justice of affording an opportunity of hearing to the person concerned. Any order passed in violation of the principles of natural justice is illegal and ineffective. Therefore, the orders passed by the 1st respondent on 22.8.2007 cancelling the authorisation of the writ petitioner deserves to be set aside and accordingly it is set aside.

However, since grave allegations of irregularities said to have been committed by the writ petitioner, which have formed the basis of the impugned order, it becomes necessary for the respondent to put the petitioner on notice of these allegations and provide him an opportunity to disprove the same and only when he fails to disprove the allegations levelled against him, penal action can be resorted to against him. I therefore leave it open to the 1st respondent to put the writ petitioner on notice, provide him an opportunity to demonstrate his bonafides and then pass a speaking order assigning the reasons which enable him to reach one conclusion or the other. This exercise be completed within a period of three months from today. Until such time, the writ petitioner shall not be prevented from functioning as the fair price shop dealer. With this the writ petition stands disposed of.

Nooty Ramamohana Rao, J

30th August 2007
knk – Note : CC by tomorrow
(b/o) knk